

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

<i>In re:</i> KrisJenn Ranch, LLC, KrisJenn Ranch, LLC–Series Uvalde Ranch, KrisJenn Ranch, LLC–Series Pipeline ROW, <i>Debtors</i>	§ § § § § § §	Chapter 11 Case No. 20-50805-RBK
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AMENDED MOTION TO SEVER OR DISMISS

**THIS PLEADING REQUESTS RELIEF THAT MAY BE
ADVERSE TO YOUR INTERESTS.**

**IF NO TIMELY RESPONSE IS FILED WITHIN 21 DAYS
FROM THE DATE OF SERVICE, THE RELIEF REQUESTED
MAY BE GRANTED WITHOUT A HEARING BEING HELD.**

**A TIMELY FILED RESPONSE IS NECESSARY FOR
A HEARNIG TO BE HELD.**

**TO THE HONORABLE CHIEF UNITED STATES BANKRUPTCY JUDGE
RONALD B. KING:**

Introduction

1. This bankruptcy involves a joint petition filed by an LLC (KrisJenn Ranch, LLC) and two related series (“Uvalde Ranch” and “Pipeline ROW”). The United States Bankruptcy Code only allows debtors to jointly file in a single instance, however — when they are husband and wife. *See* 11 U.S.C. § 302. And under Texas law, the LLC and related series each have separate debts, assets, liabilities, and other obligations.

2. Because the Bankruptcy Code does not allow the LLC and related series entities to file a joint petition, DMA Properties, Inc. and Longbranch Energy, LP (both creditors identified in the voluntary bankruptcy petition) (“Movant” and/or “DMA / Longbranch”) now move in pertinent part to sever and ask that the Court open separate cases for these debtors.

3. In the event the Court grants Movant’s Motion to Sever or Dismiss (“Motion”) in pertinent part as set forth in paragraph 2 above, in the interest of justice DMA / Longbranch requests that the Court waive any filing fees associated with such severed cases and direct the Clerk of Court not to charge the Debtor and/or Movant for any such fees that may have been otherwise associated with the severed matters.

4. In the alternative, DMA / Longbranch ask the Court to dismiss the joint petition so that the LLC and series can refile individually.

Argument

5. The Bankruptcy Code only allows debtors to file jointly when they are husband and wife. *See* 11 U.S.C. § 302. The rationale for this rule is straightforward — the consolidation of entities into a single bankruptcy risks “prejudice [to] the rights of creditors” as well as confusion regarding the financial status of the individual entities. *See In re AHF Dev., Ltd.*, 462 B.R. 186, 197 (Bankr. N.D. Tex. 2011) (citation and quotation marks omitted).

6. Here, KrisJenn (an LLC), Uvalde Ranch (a series), and Pipeline ROW (also a series) have filed a single joint bankruptcy petition. But section 302 does not allow joint filing for series LLCs, or for any other form of business organization. *See* 11 U.S.C. § 302.

7. Moreover, allowing KrisJenn, Uvalde Ranch and Pipeline ROW to file a joint petition would elude the statutory protections established for series LLCs by Texas law. Under section 101.602 of the Texas Business Organizations Code, “the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a particular series *shall be enforceable against the assets of that series only*, and shall not be enforceable against the assets of the limited liability company generally or any other series.” *Id.* § 101.602(1) (emphasis added). Likewise, the debts, liabilities, and other obligations of the LLC are not enforceable “against the assets of a particular series.” *Id.* § 101.602(2). Consolidation of the assets and liabilities of the debtors in this case would destroy these statutory protections.

Conclusion

8. The Bankruptcy Code does not allow series LLCs or any other form of business organization to file a joint bankruptcy petition, and joint filing risks destroying statutory protections established by Texas law. Because KrisJenn, Uvalde Ranch, and Pipeline ROW have improperly filed a joint petition, DMA / Longbranch request the Court sever this case into three separate proceedings and waive any associated filing fees otherwise chargeable to the Debtor, KrisJenn, and/or Uvalde Ranch and/or Pipeline ROW, and/or to the Movant.

9. In the alternative, DMA / Longbranch request the Court dismiss the debtors’ joint petition so that they may refile individual petitions as required by federal bankruptcy law.

Respectfully submitted,

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LONGBRANCH ENERGY, LP
AND DMA PROPERTIES, INC.**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on all counsel of record by way of e-service through the CM/ECF system by notice of electronic filing or as otherwise set out herein on this 29th day of April, 2020: Mr. Ronald J. Smeberg, Attorney for Debtor, MULLER SMEBERG, PLLC, 111 West Sunset Road, San Antonio, Texas 78209; U.S. Trustee, 615 East Houston Street, Room 533, P.O. Box 1539, San Antonio, Texas 78295-1539; Ms. Laura L. Worsham, JONES, ALLEN & FUQUAY, LLP, 8828 Greenville Avenue, Dallas, Texas 75243; Mr. Tab Beall, PERDUE, BRANDON, FIELDER, COLLINS & MOTT, LLP, P.O. Box 2007, Tyler, Texas 75710-2007; and Mr. Carlos M. Arce, PERDUE, BRANDON, FIELDER, COLLINS & MOTT, LLP, 613 Northwest Loop 410, Suite 550, San Antonio, Texas 78213. Additionally, I hereby certify that a true and correct copy of the foregoing document was served on all each of the following parties on this 29th day of April, 2020, by USPS first class mail:

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